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May 25, 2007

Ref: 2976-24851

Honorable James H. Welsh Commissioner of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re:

Hearing Application

M Sand, Reservoirs F, G and H

CLOVELLY FIELD, Lafourche Parish, Louisiana

Applicant: Castex Energy, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Castex Energy**, **Inc**. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the M Sand, Reservoirs F, G and H, Clovelly Field, Lafourche Parish, Louisiana

- 1. To dissolve the existing drilling and production unit created as the M Sand, Reservoir F, by Office of Conservation Order No. 213-B-2, effective April 13, 1971, and to simultaneously create a revised single drilling and production unit of approximately 168 acres for the M Sand, Reservoir F, SUA, in the Clovelly Field, Lafourche Parish, Louisiana, all as shown more particularly on the attached plat;
- 2. To dissolve the existing drilling and production units created as the M Sand, Reservoir G, and the M Sand, Reservoir H, SUA and SUB by Office of Conservation Order No. 213-B-3, effective January 11, 1972, and to simultaneously create revised drilling and production units of approximately 126 acres for the M Sand, Reservoir G, SUA and approximately 106 acres for the M Sand, Reservoir H, SUA and approximately 73 acres for the M Sand, Reservoir H, SUB, in the Clovelly Field, Lafourche Parish, Louisiana, all as shown more particularly on the attached plat;
- 3. To designate a unit operator and unit will for the M RG SUA;
- 4. To establish rules and regulations governing the exploration for and production of gas and condensate from the said sand units;
- 5. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created,

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with each tract sharing in unit production on a surface acreage basis of participation;

- 6. To find that, except to the extent contrary in the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 213-B-2 and 213-B-3 remain in full force and effect, and
- 7. To consider such other matters pertinent to this application as shown by the evidence presented at the hearing held on this matter.

The M Sand, Reservoir F in the Clovelly Field, Lafourche Parish, Louisiana was previously defined in Office of Conservation Order No. 213-B-2, effective April 13, 1971.

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all interested owners, represented parties and interested parties known to the applicant after a reasonable search were notified in writing in the pre-application notice dated May 11, 2007 that a conference to discuss the proposed application was tentatively scheduled for 2:00 p.m. on Monday, June 4, 2007. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the pre-application notice. The tentatively scheduled conference WILL NOT BE HELD.

Attached hereto and made a part hereof is a plat outlining the M Sand, Reservoirs F, G and H, Clovelly Field, Lafourche Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this hearing application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request. Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill McAlister of Leon Comeaux & Associates, P. O. Box 53922, Lafayette, LA 70505 (337) 233-9839.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Verw truly youns

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BJD/ht Attachments

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cc: Mr. Richard Hudson
 District Manager, Office of Conservation
 All Interested Owners, Represented Parties and Interested Parties

